

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS REVISING AND
MEMORIALIZING THE INTERFUND ADVANCE OR LOAN POLICY**

WHEREAS, the City of Milpitas (“City”) and the Redevelopment Agency (“Agency”) adopted Joint Resolution No. RA327/7852 on April 7, 2009, to formally memorialize the policy for the terms, conditions and requirements for advances or loans made between different City and Agency funds; and

WHEREAS, the Agency has since been dissolved pursuant to State law and the City wishes to amend Joint Resolution No. RA327/7852 as it relates to any City interfund advances or loans.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Interfund loan or advance transactions shall be subject to the following terms and conditions:
 - a. The amount of the advanced or borrowed principal shall be kept on file by the Director of Finance or designee.
 - b. The term of the interfund advance or loan shall be a maximum of twenty (20) years from the effective date of the authorized transaction, unless otherwise approved by City Council.
 - c. The outstanding principal balance of the advance or loan shall accrue simple interest at the monthly investment return of the City’s portfolio. Interest shall not compound from month to month.
 - d. Principal and accrued interest shall be payable on demand within thirty (30) days after demand is made, or if no demand is made, on the maturity date (i.e., after the end of the twenty-year period).
 - e. Payment may be made, without premium or penalty, at any time and from time to time prepay all or any portion of the outstanding principal balance due. Any partial prepayments shall be applied first to accrued but unpaid interest and then to principal.

PASSED AND ADOPTED this ____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney